



Memorandum

TO: CITY COUNCIL

SUBJECT: NORTH SAN JOSE
TRAFFIC IMPACT FEE
INCENTIVE PROGRAM

FROM: Mayor Chuck Reed

DATE: February 8, 2013

APPROVED: *Chuck Reed* **DATE:** *2/8/13*

RECOMMENDATION

1. Approve an amendment to the North San Jose Traffic Impact Fee Incentive Program to expand by 250,000sf.
2. Direct the City Manager to analyze the potential impact on transportation improvements and bring recommendations to the Council in the budget process for modifications to the Transportation Improvement Program or funding to offset the potential impacts.

BACKGROUND

In January 2012, Council unanimously approved the North San Jose Traffic Fee Incentive Program to promote near term office/R&D development through a temporary incentive program allowing a reduction in the traffic impact fee to \$5 per square feet for up to 1 million square feet of qualifying development projects obtaining planning and building approvals by December 31, 2014.

Three development projects are currently proceeding through the permitting process. Samsung Semiconductor Inc. is processing a 465,000 square foot expansion to its North First Street R&D/HQ. Ellis Partners is processing its 440,000 square foot 101/Tech development, and Cisco Systems is already under construction on a 340,000 square foot, 3-parking structures project to implement its HQ intensification. These three projects totaling over 1.2 million square feet are estimated to invest upwards of \$400 million which could generate over \$4 million in property tax revenue at completion.

We recommend support of a request to expand the program by 250,000 square feet.